

12m
Pac. Area

JAN 3 1955
1993

background

PUBLIC SERVICES DIVISION

U.S. DEPARTMENT OF STATE



JUNE 1955

SOUTHEAST ASIA: CRITICAL AREA IN A DIVIDED WORLD

Early in September 1954 representatives of eight free nations gathered around a conference table in Manila. Common concern for the security of Southeast Asia had drawn together Australia, France, New Zealand, Pakistan, the Philippine Republic, Thailand, the United Kingdom, and the United States.

Each of the participating powers recognized that the recent extension of Communist control into Viet-Nam exposed the remainder of Southeast Asia to danger. All were aware that a threat to the security of this area constituted a threat to the security of the whole free world. They met in recognition of their need for united action to halt Communist aggression in the far Pacific.

At Manila these eight powers took action under the charter of the United Nations, demonstrating their will and their ability to reach accord and to create unity for security and peace. This was the first conference, as Secretary of State John Foster Dulles pointed out,

"... where representative nations of Asia and of the West sat down together to work out a program of mutual security."

They formed an alliance, the credentials of which are the Southeast Asia Collective Defense Treaty (Manila Pact) and the Pacific Charter.

The Manila Pact is a treaty for defense against

both open armed attack and internal subversion. The Pacific Charter, to quote Mr. Dulles,

"... dedicates all the signatories to uphold the principles of self-determination, self-government, and independence for all countries whose peoples desire it and are able to undertake its responsibilities."

On February 23, 1955, the eight signatories of the Manila Pact and the Pacific Charter gathered around another conference table, this one in Bangkok, capital of Thailand. With the treaty ratified and in effect, its Council met for the first time in the heart of the vastly important and highly sensitive Southeast Asian Peninsula.

During the 3-day conference at Bangkok, the Council reached agreement on policy and machinery for operating the policy. As regards military defense, Mr. Dulles stated in his subsequent report to the American people:

"We shall rely chiefly on mobile Allied power which can strike an aggressor wherever the occasion may demand. That capacity will, we believe, deter aggression. We shall not need to build up large static forces at all points, and the United States contribution will be primarily in terms of sea and air power."

Defense against subversion is primarily the

responsibility of the individual government but concerns all. Some have had more experience than others in coping with Communist-inspired revolts and so are in a position to help the less experienced with information and advice. Arrangements were made to facilitate exchange of ideas and information on this problem.

Dealing with the economic and social aspects of the treaty, the Council agreed that the strong should help the weak to meet the cost of developing more effective security forces and considered practicable ways of improving general living conditions within the treaty area. Mr. Dulles spoke of President Eisenhower's desire to have atomic energy used to benefit mankind and invited the Manila Pact nations to send representatives to the United States to study the peaceful uses of atomic energy.

It was agreed that the Council—composed of the Foreign Ministers of the member nations—will meet at least once a year and usually in the treaty area. Designated representatives of the Foreign Ministers will form a permanent Council of Representatives at Bangkok. With the services of a secretariat and the assistance of military advisers and counselors on economic affairs and problems of subversion, this permanent body will assure continuous coordination of planning and programs for the treaty organization.

FACTORS IN THE SOUTHEAST ASIAN CRISIS

Southeast Asia is important because of its geographical location athwart communication lines and its enormous wealth in natural resources. Its manpower is capable of contributing significantly to world peace and prosperity.

Today all shipping between Europe and the Orient via the Indian Ocean must pass through either the Strait of Malacca or the Strait of Sunda. The former is between the Malay Peninsula and the island of Sumatra, the latter between Sumatra and Java. Control of these two Southeast Asian straits gives dominance over a sea route that is comparable in importance to the Panama Canal route. Furthermore, all intercontinental airways in the Far East traverse the Southeast Asian area. Bangkok in Thailand and Rangoon in Burma are major air transport centers, distant only a few

flying hours from Saigon, Hong Kong, Darwin, and Calcutta.

Southeast Asia lies across the tropic zone between the Pacific and Indian Oceans. Its peninsula and island chains form a vast broken horseshoe of land rimming the South China Sea. Burma, Laos, and Viet-Nam, northernmost of the peninsular states, border on Communist China and, together with Thailand, Cambodia, and Malaya, compose the western side of the horseshoe. The islands of Indonesia descend in a series of stepping stones toward Australia and then veer north toward the Philippine Archipelago, which forms the eastern side of the horseshoe and extends to within about 300 miles of Formosa.

From the beginning of history oriental routes of migration, conquest, and trade have converged on Southeast Asia. Once European navigators had circled the globe, the area was destined to become the commercial and strategic gateway between the Pacific and Indian Oceans and also between Asia and Australia. Inevitably it became a goal in the European race for colonies, with Portugal, Spain, Holland, England, and France competing for prizes in the course of the centuries. Of the eight nations that now comprise the region, only the Kingdom of Thailand managed to retain its independence throughout the age of European colonial expansion.

Under colonialism Southeast Asia, long the rice bowl of the Orient, gradually became also the Western World's major supplier of certain critical raw materials and other very desirable commodities.

World War II underscored the importance of Southeast Asia both as a gateway and as a source of strategic raw materials and agricultural products. Lying in the path of Japanese expansion, Indochina passed from French to Japanese control shortly after the fall of France. By the spring of 1942 the remaining countries of the area were under Japanese occupation. Until the liberation of enemy-occupied areas in 1945, the gateway was a barrier and the source inaccessible to all nations except Japan. In the course of the liberation all countries of the area became battlegrounds.

Not long after the withdrawal of the Japanese from the area, it became apparent that Southeast Asia lay in the path of yet another type of expansion, that of world communism. Ever since World War II the Communist strategy of infiltration to exploit existing nationalist revolutionary

movements or to foment them where they do not exist has complicated—and in some instances retarded—the transition of Southeast Asian countries from colonial status to independence.

The successful advance of communism through China and well into northern Viet-Nam threatens the remaining Southeast Asian countries with a more deadly form of colonialism than any the world has ever known. Extension of Communist control over the remainder of Viet-Nam, Laos, Cambodia, Thailand, and Burma, which together form Asia's rice bowl, would place most of the independent Asian nations in mortal danger. India, Ceylon, Japan, and Malaya, which are de-

pendent upon that rice bowl for life itself, would have access to it only on Communist terms.

No Southeast Asian country is militarily strong enough to withstand armed aggression without help. None of the new and inexperienced governments has been able to raise the standard of living high enough to insulate its people against Communist subversion. If these governments are to repel armed invasion, they must have outside military aid. If they are to prove to their peoples that free institutions can give them more solid satisfactions than communism's promised pie in the sky, they must have economic and technical assistance from other non-Communist countries.



The United States has supported the Southeast Asian countries in their emerging independence and is ready to help them to preserve their freedom. Our Government is convinced that these struggling young governments can best strengthen themselves militarily against invasion and economically against Communist propaganda by allying themselves with other free nations. The Manila Pact, we firmly believe, is a step in the right direction. But thus far only two Southeast Asian nations are signatories. Our Government hopes that others will decide to follow the example of Thailand and the Philippines.

The way to union for collective security in Southeast Asia, however, is beset with certain obstacles and problems that were not a consideration in the development of the North Atlantic Treaty Organization. These obstacles are inherent in Southeast Asia's land, its peoples, and its history.

The Land and Its Peoples

Although it sprawls across a vast area more than 3,000 miles from east to west and more than 2,000 from north to south, Southeast Asia has less than half the actual land mass of the United States. Its population is about 10 million greater. The land form is varied, the population more so; and the configuration of the land has created barriers not only between countries but also between communities.

The area abounds in rugged, trackless mountains rich in virgin forests and scarcely tapped minerals, dense jungles, fever-infested swamps, fertile inland plateaus, turbulent rivers, and fertile river deltas and coastal plains. In the monsoon belt wet and dry seasons alternate with regularity; outside it the lowlands are hot and humid the year round. Temperature variations increase with altitude—and altitude ranges from sea level to heights of more than 18,000 feet—in the north, where the Burma-China border becomes indistinct in the Himalayas.

The region's lush fertility makes land clearance a never-ending labor. The work of years was obliterated by World War II. Bridges, railways, roads, and inland waterways suffered wholesale destruction, and once-cultivated fields reverted to jungle. Economic disruption was serious throughout the entire area.

The peoples are disparate in racial background, religion, language, and customs. Among them is about every known form of government, which may be exercised by a tribal chieftain, a rajah, a sultan, a king, a dictator, or a democratically elected parliament.

Some 3,000 years ago the area began to receive waves of immigrants who were to effect great changes in the life and thinking of whatever land they reached. The Chinese were first, coming usually in the spirit of conquest. A later wave rolled in from India, and the Hindu immigrants brought with them higher forms of religion, philosophy, and art and an advanced social organization. Much later, traders from the Arabian Sea arrived at Indonesian ports with Mohammedanism as well as commercial cargo to offer. Eventually they penetrated the Philippines, where the Moro people continue to look to Mecca as they pray.

In the 16th century the Europeans began to reach the area—Portuguese, Spanish, British, Dutch, and French—in that order. Their merchant companies busied themselves with developing natural resources for the good of the mother country. Their missionaries bestowed varieties of Christian faith among the receptive elements of the population. And in due time European racial strains were added to the existing complex.

European colonialism and the impetus it gave to commerce drew more Chinese and Indians to the area. Both groups—the Chinese in particular—became small businessmen, middlemen, and moneylenders. As they prospered, many became landlords, bankers, and plantation operators. Today more than 10 million Chinese live in the area, and the vast majority of them regard themselves as Chinese nationals regardless of their place of birth. The sharp business practices of many of these "overseas" Chinese have made them a powerful and bitterly resented element in most Southeast Asian communities.

In all the countries the populations are concentrated in the lower reaches of large river valleys and coastal plains. In the sparsely settled inland frontier regions, steep mountains and turbulent rivers separate hill peoples from one another as well as from their countrymen in the densely populated lowlands. This separation of communities has preserved intact hundreds of dialects and has increased the difficulty of achieving cooperation among the peoples.

Despite diversity of origins, languages, and re-



Jones Bridge, Manila, the Republic of the Philippines. This newly constructed span was built with funds appropriated by the United States under the Philippine Rehabilitation Act. Its predecessor was destroyed in the battle for the city's liberation.

ligions, the peoples have had certain experiences in common. Throughout the area the standard of living is measured within a rice economy. Village societies have persisted for centuries. Average life expectancy is low and infant mortality high, with malaria, dysentery, and tuberculosis taking a high toll of life.

Barring some exchange of raw materials for manufactured goods from the West, the populations have been largely self-sufficient, with little need of trade or other dealings with one another. Every country within the area has a past history

of tribal or interracial warfare and periodic invasions, principally from the north—from China. None is unaware that pressure for southward expansion continues in the giant country to the north.

With the exception of Thailand, all Southeast Asian countries have been developed by foreigners and in the colonial pattern. They are convinced that they were denied a fair share of the gains from colonial enterprise. Until World War II Southeast Asian trade was overwhelmingly with the nations of Western Europe and the United

States. Under the system of exchanging raw materials for processed goods and manufactured products, Southeast Asia remained industrially backward and undeveloped. Japanese occupation reoriented the economy of each of these countries toward Japan, and liberation activities disrupted the economy altogether.

Except in Thailand where independence goes back some 3,000 years, and in the Philippines where transition from dependence to independence took place peacefully in accordance with promises made by the U. S. Government, the nationalism that has inspired the influential classes of Southeast Asia for more than half a century is deeply rooted in anticolonialism and has needed little stimulation to put forth anti-Western attitudes. After World War I nationalistic fervor increased in intensity; during and after World War II it reached revolutionary proportions.

The Economic Situation

Southeast Asia is the world's largest exporter of natural rubber, copra, quinine, kapok, rice, teak, pepper, tapioca flour, palm oil, and tin. It produces in some quantity sugar, tea, coffee, tobacco, sisal, tropical fruits, essential oils, spices, natural resins and gums, oil, iron ore, and bauxite. Northern Viet-Nam and Burma have some oil, but the only large resources discovered as yet are in Indonesia and North Borneo. Currently the area produces rice for its own needs and a 3-million ton surplus for export; its rubber plantations provide the world with 90 percent of its crude rubber; its mines provide about 60 percent of the world's tin; and its shorelines produce some 84 percent of the world's copra and coconut oil.

Southeast Asia's production of critical raw materials and agricultural products appears impressive when expressed in percentages of the world's output. Measured against its own potential, Southeast Asian production is seen in better perspective. Primitive mining and farming methods

sharply limit production in most of the countries of the area. Currently the yield of agriculture—which accounts for more than 70 percent of the total production of the area—is only a fractional part of what it might be. As yet Southeast Asia has scarcely tapped its vast natural resources.

Southeast Asia supplies about 10 percent of all U. S. imports and buys approximately 5 percent of all U. S. exports. Stated another way, about 30 percent of the area's exports go to the United States, from which it receives 20 percent of all its imports. The remainder of non-Communist Asia accounts for a quarter of Southeast Asia's total trade, and one-third of that quarter is with Japan. The area's heaviest trade, about 45 percent of the total volume, is with Western Europe. Thus far trade with Communist countries has been slight—but not from lack of effort on the part of Communist China to attract it.

The Southeast Asian economy suffers from an adverse balance of trade. Thus far it has taken abnormal demand for the region's major exports and resulting high prices paid for them to tip the balance in Southeast Asia's favor. In 1951, despite its need to import practically all manufactured items—from safety pins to plows—the area achieved a favorable balance, with \$3.6 billion in exports against \$3.2 billion in imports. That year's favorable balance was due to the extraordinary demand for tin and rubber, principally in the United States, as war orders for Korea reached a peak in American industry. After 1951 diminishing demand and prices for tin and rubber shifted the balance adversely.

The heaviest producers of rubber and tin have been most seriously affected when there is a drop in prices—and have tended to hold the United States responsible. Indonesia and Malaya depend on rubber for nearly 60 percent of their foreign exchange earnings. Sales of tin provide 19 percent of Malaya's foreign exchange, 14 percent of Thailand's, and 12 percent of Indonesia's. The rise or fall of a few cents in the prices of these raw materials makes a difference of millions of dollars to the producing countries. Rubber, which sold for 88 cents in 1951, dropped in 1953 to 20 cents; since then it has risen gradually, and at the close of 1954 the market was relatively firm, with the price hovering around 36 cents per pound. Over the same period tin dropped from a high of

\$1.81 to a low of 84 cents, rose to \$1.01, and then slipped back to 88.5 cents. Continuing low prices for these vital exports plus the low productivity of the area constitute the major economic problems of Southeast Asia.

Throughout the area per capita income continues lower than it was before World War II. This situation slows political and economic progress at the same time that it makes economic development the principal objective of every government's program. A complex of circumstances has contributed to the slow rate of increase in per capita income. Outstanding among them are destruction wrought by World War II and subsequent guerrilla fighting, reluctance of the West to reinvest capital, lack of savings for domestic investment, unfavorable exchange rates, scarcity of management skills, and preponderance of unskilled labor.

Because of this situation, the newly independent governments face difficulties that would challenge the abilities of the most stable, experienced, and

mature governments. The peoples, with their long tradition of resisting governmental authority, are unlikely to continue long in support of the new governments unless those governments can demonstrate their ability to improve living conditions for the average man and his family. A very little improvement goes a long way toward breeding hope and faith; a very little slip backward breeds disillusionment with the present government and renders the people more susceptible to the promises of the Communists in their midst.

Throughout the area the need for technical and economic aid from other countries remains vital. Southeast Asian countries are receiving assistance of both types through various agencies—the technical assistance programs of the United Nations and the United States, the Colombo Plan, the United Nations Economic Commission for Asia and the Far East, and the United States programs of economic cooperation. Most of the countries need more assistance than they are currently re-

A modern hill resort in West Java, Indonesia. The terraced paddies in the foreground are typical of agriculture over much of the region.



ceiving. This critical area has fabulous potential wealth in its natural resources of fertile soil, mineral deposits, and manpower; but now and for some time to come, it must have help if it is to learn how to make the most of them.

Willingness of individual nations, including the United States, to provide technical and direct economic assistance is not the answer in all parts of the area. Despite their need and desire for such assistance, some of the Southeast Asian governments do not ask it of any individual country. Those governments *do* seek help through the United Nations. Though some of the countries have been denied membership by Soviet veto in the Security Council, every one of them trusts and supports the United Nations. Some of the recently independent countries know that the United States is their friend and has no imperialistic designs on them or on any other countries in the world.

THE INDIVIDUAL COUNTRIES

Burma

With an area of approximately 262,000 square miles, Burma is larger than France and a little smaller than Texas. It is a land of rich river valleys enclosed by rugged mountain walls. The country borders on the Bay of Bengal in the south

and west, East Pakistan and India in the northwest, Tibet in the north, China's Yunnan Province in the northeast, and Laos and Thailand on the east and southeast. The Irrawaddy River, flowing the length of the land, is Burma's economic lifeline and major transportation system, connecting the capital Rangoon on the southern coast with Mandalay in the east central area.

The population of some 19 million, predominantly Buddhist¹ and rural, is concentrated in central and southern Burma in the river valleys and the Irrawaddy Delta. Burma ranks high among the world's rice-growing nations, produces



Farmer in the fields of Burma where rice is the principal crop, the country's largest export and main source of income.

in considerable quantity tobacco, rubber, peanuts, cotton, and millet, and has vast teak forests. Although predominantly agricultural, Burma has rich, if only partially developed, mineral re-

¹ Lesser vehicle Buddhism, the older, simpler form, brought from Ceylon and India, is the faith of more than 80 percent of the people.

sources, which include tin, silver, gold, lead, copper, zinc, nickel, tungsten, rubies, jade, and sapphires.

In a series of actions begun in 1826 and continuing until 1885, Great Britain annexed Burma, administering it as a province of the Indian Empire until 1937, when Burma won a modicum of autonomy as a separate unit of the British Empire. Since January 4, 1948, Burma has been a fully independent nation outside the British Commonwealth. On April 19, 1948, it became the 58th member of the United Nations.

The Union of Burma has a bicameral parliament elected by popular vote. The President is elected by both chambers of the parliament; the Prime Minister, who is the executive head of the Government, is appointed by the President on nomination by the Chamber of Deputies; and cabinet ministers are appointed by the President on the recommendation of the Prime Minister. Socialists are the most powerful element in the present coalition Government, which is committed to a domestic program of social and economic reforms and a foreign policy based on nonalignment in the cold war. The Government recognized the Communist regime in China on December 18, 1949.

Probably no other Southeast Asian country suffered such wholesale devastation during World War II as Burma. Since then Burma's reconstruction and economic recovery have been retarded by civil disturbances. The Government has made notable progress in stamping out guerrilla activities in the more thickly populated agricultural sections, but various insurgent groups, both Communist and non-Communist, continue to harry remote villages. Rice production has gradually increased to a point not far below the prewar level, but rice exports lag far behind the prewar record. Since the major part of the Government's revenues is derived from rice exports, the present buyer's market is a matter of deep concern in Burma. Although the Government is working toward greater diversification of its economy, it will take many years to overcome Burma's dependence on rice.

Thus far Communist China has seemed eager to convince the Burmese that its intentions are peaceful. The fact remains that Burma borders on Communist China for a distance of almost 1,000 miles and is physically vulnerable to overt aggression as well as to infiltration.

Thailand

Occupying a central position on the Southeast Asian peninsula, Thailand has Burma to the west and north, Laos and Cambodia to the east, and Malaya and the Gulf of Thailand to the south. It has an area of about 200,000 square miles. By Southeast Asian standards, its population of 19 million is remarkably homogeneous. The principal minority groups are Chinese, numbering about 3 million; Malays, 700,000; and Vietnamese, 54,000. Thai is the *lingua franca*, but English is commonly understood by official and commercial classes. The population is predominantly Buddhist, and the Buddhist Church is the National Church of Thailand.

Less damaged by war than its neighbors, Thailand's economic situation is probably the best in the area. It leads the world in rice exports and ranks high among exporters of tin, rubber, teak, gems, sticlae, and hides. By Western criteria the Thai standard of living is low, but no one in Thailand suffers hunger and the peasant population has never been so well off before. With help from various United Nations organizations and under the technical assistance programs of the United States, the Thai Government is waging war against malaria and trachoma and improving communications, irrigation, and education facilities. Accordingly, the standard of living can be expected to continue rising.

Since 1932 Thailand has been a constitutional monarchy. The Government operates on a one-

party system, and changes have come about through coup d'etat. Long accustomed to a strong central government, the Thai proletariat has not developed a high degree of political consciousness. In its 30 centuries as an independent monarchy, Thailand has never known a popular revolt. In the postwar years it has been less troubled by internal strife than any other Southeast Asian country.

The present Government, in power since 1947, is an ardent supporter of the United Nations and a strong ally of the United States. It has refused to recognize Communist China and has steadfastly opposed its admission to the United Nations. Thailand was one of the two Asian countries to

send troops to repel the Communist aggression in Korea. From the beginning it has supported the idea of a Southeast Asian defense alliance. It is a signatory of the Manila Pact and the Pacific Charter and was first among the signatories to ratify the treaty and deposit its instruments of ratification with the Philippine Government.

Although internally peaceful, the kingdom is uncomfortably close to Communist-controlled North Viet-Nam, with only small and militarily weak Laos between them. The presence of 54,000 Vietnamese refugees in the section bordering on Laos is a source of uneasiness to the Thai Government. Most of the refugees fled military action in their own country back in 1946 and 1947. Since

Learning to know the mosquito is step number one for the effective control of malaria. These young men are engaged in Thailand's fight to conquer an ancient scourge which has long sapped the life and vitality of the people.



the cease-fire in the Indochinese war and the partitioning of Viet-Nam, 90 percent of the refugees have expressed a wish to return to North Viet-Nam. Thus far Communist North Viet-Nam has shown no disposition to accept them. Free Viet-Nam agreed to accept them—but very few want to go there. In the meantime this displaced group of Vietnamese, most of whom are judged to be sympathetic to the Communist Viet Minh regime and ready to cooperate with it, constitute a threat to Thailand's security.

Viet-Nam

The present State of Viet-Nam was formed after World War II from two former French protectorates bordering on the South China Sea—Tonkin in the north and Annam in the middle—and the former colony of Cochinchina in the south. This state stretches the full length of the eastern coast of the Southeast Asian Peninsula. Viet-Nam is the largest of three states of Southeast Asia associated within the French Union—the other two being its western neighbors, Laos and Cambodia. The three countries comprise a geographic area referred to as Indochina.

The total area of Viet-Nam is about 127,000 square miles. The population of some 25 million

is heavily concentrated along the coastal strip and in the Red River Delta rice lands of the north and the Mekong Delta in the south. Many small indigenous tribes inhabit the formidable mountains, isolated from one another as well as from the lowlanders by deep gorges. Racially the Vietnamese, often rated the most energetic and aggressive of Southeast Asian peoples, predominate, and their language is the common tongue of the country.

Potentially Viet-Nam is rich. It is the world's third largest rice-producing country (although it now produces little over its needs) and has extensive resources of iron, tungsten, manganese, tin, zinc, and coal; valuable woods and fish; and agricultural products of rubber, pepper, corn, and hides. At present Viet-Nam is suffering poverty and general dislocation in the aftermath of 8 years of bitter civil war and the resulting partitioning of the country.

In manipulating Vietnamese nationalist groups, the professional Communist "liberator" Ho Chi Minh, leader of the Viet Minh, applied Stalin's instructions for "alliance with the liberation movement of the colonies and dependent peoples." The first move in the Communist strategy was to exploit legitimate nationalist aims by persuading the people that those aims could be achieved only by violent rebellion. The second was the establishment of a revolutionary regime, actually a police state, which permits the third step—the final betrayal of the people. Instead of the independence the people have sought, they find themselves and their homeland being "amalgamated" into the Communist orbit.

The slowness of France in granting more than nominal autonomy to Viet-Nam and the Associated States of Laos and Cambodia made it easier for Ho Chi Minh to put his strategy into action. After the fall of the fortress Dien Bien Phu in May 1954, French Union Forces were in a difficult situation, and the costly and exhausting war ended in the cease-fire arranged at Geneva in July 1954.

The Geneva agreements partitioned Viet-Nam at approximately the 17th parallel, pending general elections to be held in July of 1956. The Geneva Accords provided a schedule for regroupment of troops and stated clearly that everyone in Viet-Nam should be allowed to decide freely in which zone he wished to live and should receive necessary assistance from the authorities if he chose to move to the other zone prior to May 1955.

Three-fifths of Viet-Nam and something more than half the Vietnamese population are now under Communist control in North Viet-Nam. Free Viet-Nam south of the 17th parallel is now independent of French control and is, with United States and French assistance, developing the institutions of a free nation.

Premier Ngo Dinh Diem assumed office in the summer of 1954 and steadily gained popular support. An ardent Vietnamese patriot and a sincere exponent of democratic principles, Diem, a devout Roman Catholic, took over enormous responsibilities in time of crisis without much political experience.

Diem's Government has tackled the enormous project of receiving and resettling the refugees from Communist-controlled North Viet-Nam and, with the assistance of the United States, has been able to handle the continuous flow of desperate humanity. By the end of 1954 more than 200,000 of the more than one-half million refugees had been established in new villages on a self-supporting basis.

During his term in office he has weathered trials that have made him a veteran and proved him an increasingly able administrator. During the fall of 1954 he was confronted with dissidence on the part of his Army Chief of Staff, but Diem was able to remove the Chief of Staff and achieve control of the army. For a short period he succeeded in bringing into harmony with the Government several politico-religious military groups that had never before cooperated with any government.

More recently certain of the old feudal elements have been attempting to create a united front in defiance of the Diem Government. In early May Diem appeared to have succeeded in subduing an armed revolt by the Binh Xuyen sect led by Gen. Le Van Vien and a coup d'etat led by Gen. Nguyen Van Vy, who had been temporarily delegated military powers by Bao Dai. Diem also announced plans to form a more broadly based government which would have the support of the Hoa Hao and Cao Dai sects and of the people in general. The plans provided for convoking some form of representative assembly which would provide for general elections for a constituent assembly to be held later in the year.

Laos

Second in size of the three Indochinese States, Laos is more than 89,000 square miles in area and has a population of only 1.5 million, chiefly of Thai race. It is wedged in between Communist North Viet-Nam on the east, Communist China on the north, Burma on the northwest, Thailand on the west, and Cambodia on the south.

Laos is underdeveloped, some of the non-Lao mountain tribes being completely primitive. Throughout the country agriculture is conducted about as it was 2,000 years ago. The Lao have the Mekong River in its most turbulent stretch to contend with and periodically suffer heavy loss and damage from its excesses. Pigs, cattle, hides, millet, corn, and silkworm culture provide the people with materials for export.

The country is a constitutional monarchy with a king who is popular among his people. Less disrupted by Communist aggression than its neighbor Viet-Nam, Laos has consequently known a smoother transition from colonial status to independence. It is, however, beset with the vexing problem of a Communist movement known as the Pathet Lao, which illegally controls the two northern provinces designated military regroupment zones by the Geneva Accords. This element, clamoring for representation in the Government and refusing to submit to royal authority, is a threat to the national security of Laos.



From spinning wheel to finished product these women of Laos make their own clothing.

Cambodia

Cambodia, bounded by Free Viet-Nam, Thailand, Laos, and the South China Sea, is the smallest of the Indochinese States, just under 70,000

square miles in area. Most of its 3.5 million people are descendants of the ancient Khmers, who kept archives and had books as early as the third century of our era and who built the famous temples of Angkor. In the 18th century the Cambodians were pushed out of Cochinchina by the warlike Annamites. Like Laos, Cambodia is a constitutional monarchy and has achieved independence in relatively peaceful fashion.

Although it lacks minerals, this small kingdom is rich in limestone, sandstone, granite, and marble. Its virgin forest represents considerable wealth and its Grand Lac is one of the world's largest fish reservoirs. Nevertheless, the Cambodians are fundamentally an agricultural people. Their economy is dominated by the Mekong River, which is kinder to them than to the Lao. Although the river shifts its banks and displaces villages yearly, it pays its way in rich deposits of alluvial soil for the farmers, enabling them to produce more than they consume of rice, corn, and sugar and—in recent years—rubber and cot-

ton. The exports of rice and of rubber signify a potentially strong economy.

Cambodia is politically anti-Communist. It has been strengthening its ties with Burma and

Malaya is a long, thin finger of land forming the southernmost part of the Southeast Asian Peninsula. No larger than Florida, and with 80 percent of its terrain dense jungle, Malaya is more highly developed than most of its neighbors. It is rich in strategic rubber and tin, has a higher standard of living than any other Far Eastern country, boasts the comparatively high literacy rate of 40 percent, has more trained administrators than any other country in the area except the Philippines—and yet it is the single country in Southeast Asia that still retains colonial status.

The Federation of Malaya, administered by a British High Commissioner, is composed of nine Malay States headed by sultans and the Settlements of Penang and Malacca. Singapore, at the southern tip of Malaya and one of the world's great ports and naval bases, is governed separately as a crown colony. Of Malaya's total population of approximately 6.4 million, 43 percent is Malay, 44 percent Chinese, and the remainder is made up of Indians, Pakistani, Europeans, and Eurasians. The indigenous population is with few exceptions Moslem. The Chinese are a mixture of Confucianists, Taoists, Buddhists, and Christians. The Indians and Pakistanis are predominantly Hindu, and the Europeans and Eurasians predominantly Christian. The peoples lack a common language—though many non-Malays speak "Bazaar Malay." Most educated Chinese speak Mandarin, and the majority of the educated of all racial groups speak English.

Malaya's strategic location has made it important to the plans of aggressors in that part of the world. It was used by the Japanese in 1942 as a steppingstone to Indonesia, and it is not by accident that the most persistent and bold Communist terrorist activities are taking place in Malaya—now that the wars in Korea and Indochina have ended.

Since mid-1948 Communist guerrillas have waged war against the forces of law and order in Malaya with the expressed objective of driving out the British and establishing a Communist state. This Communist movement is without native roots, being approximately 95 percent Chinese with the hard core China-born. Operating from the great jungles and from clandestine cells, the guerrillas have seriously disrupted the life and economy of the country and have thwarted the efforts of the military and police to eradicate them. Within the past 2 years, however, new military



A group of young bonzes (Buddhist priests) in Phnom Penh, Cambodia, look at a pictorial display at the entrance to the U. S. Legation.

Thailand and recently has settled its reparations issue with Japan. By agreement, Japan will provide Cambodia with needed technical assistance in lieu of money for war damages.

Malaya

measures and civil programs directed against the Communist guerrillas have lessened the intensity and number of Communist-inspired incidents.

Indonesia

The island world of Indonesia, formerly known as the East Indies, makes up the largest and most heavily populated of the Southeast Asian countries. Its total land mass is double the size of Texas and is a vast archipelago stretching south and east of the Malay Peninsula for more than 3,000 miles. Java, Sumatra, Borneo, and Celebes are the most important of the several thousand islands, and Java contains 50 million of Indonesia's 80 million people. Racially the Malay strain is predominant, with some Melanesian influence in the east. The cultural zenith is reached in the highly developed Javanese and Balinese civilizations, and the nadir in the stone-age development and practices of the mountain tribes of Borneo. Approximately 2.5 million Christians and 3 million Chinese Taoists, Buddhists, or Confucianists enjoy the freedom of religion provided for religious minorities in Indonesia's constitution, but the largest segment of the population—over 90 percent—is Moslem.

Indonesia achieved independence—not without bloodshed—from the Netherlands on December 27, 1949. The new Republic of Indonesia became a federated government of 10 provinces on August 15, 1950, and on September 29, 1950, Indonesia became the 60th member of the United Nations.

While still in revolutionary status the Government put down an armed Communist revolt. Currently some areas of the country are disturbed by dissident groups, but these activities have been confined. The principal group is the Darul Islam,

a Moslem group that seeks to establish a theocratic state. Factionalism and uneven development of land and peoples are major problems confronting the Government. A determined effort on the part of the Government to combat illiteracy has raised the literacy level from the preindependence low of 7 percent to possibly 50 percent in only 5 years. English is the second official language and is in increasing use.

Economically, Indonesia needs to diversify its production and develop its enormous potential of agricultural and mineral wealth. To do so, it needs continued technical assistance and increased private investment. It exports 40 percent of the world's rubber, 20 percent of its tin, and considerable tea, tobacco, spices, copra, and coffee. Although as recently as 2 years ago Indonesia was obliged to import 750,000 tons of rice, it is now nearing self-sufficiency in rice production. As the principal Far Eastern source of petroleum, Indonesia is in a unique position. It is encouraging the development of the industry through substantial American investments.

The Philippines

Eleven of the more than 700 islands of the Philippine Archipelago have an area in excess of 1,000 square miles, and about 63 percent of the estimated total of 115,600 square miles of land is arable. Currently the country's population of more than

21 million is overconcentrated in parts of the largest island, Luzon, which contains the capital, Manila. It is hoped that resettlement programs will alleviate the distribution problem—even though the Philippines has one of the highest birthrates in the world.

This young Republic is the only predominantly Christian country in the Orient: 80 percent of its population is Roman Catholic and 11 percent is Christian of other denominations. English is the *lingua franca* and the language of instruction in the schools—although about 87 dialects are spoken among the 53 ethnographic groups of the islands.

On July 4, 1946, the Philippines became an independent nation, peacefully and in accordance with promises made by the United States. Since then the Republic has weathered a major economic crisis and reduced to ineffectiveness a Communist-led movement to overthrow the Government. It has assumed an increasingly responsible role in international affairs and within the United Nations. Despite its domestic problems and the smallness of its military establishment, it sent a battalion to fight under the United Nations flag in Korea. In the present crisis the Republic was

Jungle patrol on a Malayan rubber plantation. Special precautions such as these are needed to protect workers from bandits and Communist-led guerrilla bands.



prompt to recognize the need for collective security arrangements for Southeast Asia. It was Philippine President Ramon Magsaysay who invited other interested nations of the free world to participate in a conference at Manila to "consider measures to further their common objectives in the area."

THE POSITION OF THE UNITED STATES

In the course of the past half century, the United States has used its influence consistently and has even gone to war, when necessary, to prevent the subjugation of one or another of the Asiatic countries.

Now, as in the past, the United States upholds the right of peoples to self-determination. For that reason the U. S. Government could not associate itself with the Geneva Accords, by which 13 million Vietnamese were assigned to Communist control. American sympathies are perforce with the desire of people to live their own lives in their own way.

With good reason, the United States is convinced that united action offers the free nations of the world the surest and the most economical means of preserving their freedom. That conviction is rooted in the fact that the United States owes its existence as an independent nation to the united action of 13 small and individually weak colonies that were scattered along the rim of a vast wilderness. The conviction is supported by the fact that regional alliances for mutual defense and security have proved the most effective deterrent to aggression in our time. There has been no armed aggression in Europe since the North Atlantic Treaty Organization came into existence.

The Southeast Asian area has been subjected to strong Communist pressures for 30 years. Those pressures have been intensified in the years following World War II. The United States has sought in such ways as were possible to strengthen the anti-Communist forces in that area with economic, technical, and military aid.

At the same time, our Government has sought to develop a pattern of collective security for the entire Pacific area. Because differences among nations and peoples in the Pacific made progress toward a collective defense organization slow, the United States began by negotiating a series of

bilateral treaties that could later be linked with a multilateral alliance. It entered mutual defense treaties with the Philippines, Australia, New Zealand, Japan, the Republic of Korea, and the Government of the Republic of China.

On April 16, 1953, President Eisenhower called for united action to check Communist aggression in Southeast Asia. He foresaw that the soon-to-be concluded cease-fire arrangements in the Korean War would permit Communist China to increase its assistance to Viet Minh forces in Indochina. But it was not until Viet-Nam had been partitioned and Communist control had been extended down the east coast of the Southeast Asian Peninsula to the 17th parallel that the President's call for united action produced positive results.

The Manila Pact and the Pacific Charter

From the September 1954 conference of eight nations in Manila emerged the beginnings of collective security in the Pacific area. The Manila Pact provides that in the event of armed aggression each signatory country will act to meet the common danger and, as Secretary Dulles explained:

"The treaty recognizes also the danger of subversion and indirect aggression. It deals with this difficult problem more explicitly than any other security treaty that has been made. In this respect, the treaty represents an important forward step, because subversion and indirect aggression have been principal tools of international communism. . . .

"The treaty recognizes the importance of economic welfare. . . . We agree to cooperate in the development of economic measures which will promote economic and social well-being. . . . By the Mutual Security Act, Congress has already provided a fund to be available in this area. . . .

"However, the treaty builds no economic walls. From an economic standpoint, such nations as Japan, Indonesia, Burma, Ceylon, and India remain important.

"The treaty area is defined as the territory of the member states in Southeast Asia and the Southwestern Pacific. The protocol also extends the treaty benefits to Cambodia and Laos and the free territory of Viet-Nam. The Indochina armistice created obstacles to these three countries becoming actual parties to the treaty at the present time. The treaty will, however, to the extent

that is practicable, throw a mantle of protection over these young nations."

The Manila Pact provides for accession of additional nations upon unanimous agreement of the parties to the pact. Any nation interested in supporting the objectives of the treaty and able to further its objectives and contribute to the security of the area may become a member. It is the hope of the United States and the other signatories that more of the Asian countries will join later. Actually all Southeast Asian countries except Burma and Indonesia are covered by the treaty. Malaya, still a British dependency, is covered by Britain's signature, and the three Indo-chinese States are included by the protocol to the treaty.

The Pacific Charter, companion piece to the Manila Pact, was proposed by President Magsaysay and, as Mr. Dulles suggests, "may well prove to be the most momentous product of the Conference." For this document signed by representatives of both Asia and the West gives the lie to the reiterated Communist charge that the Western nations—and especially the United States—have imperialistic intentions toward the Asian peoples. In declaring the principles and intent of the negotiators of the Manila Pact, the Pacific Charter became the cornerstone upon which the treaty was erected.

For the United States the Pacific Charter made no new commitments. It served rather as a reaffirmation of the principles that our country and our people have upheld since the founding of our Republic.

Our Assistance to Free Viet-Nam

The goal of our policy of increased assistance to Free Viet-Nam is precisely that of our overall foreign policy. Deputy Assistant Secretary of State for Far Eastern Affairs William J. Sebald defined it this way:

"That goal is peace, the kind of true peace that will enable us all to enjoy the blessings of liberty. Peace is the goal, and security is the means. For in a world where communism fills every vacuum and man's every unguarded outpost, a platform of strength is the only way to achieve a working peace."

Although the United States refused to associate itself with the Geneva Accords and the Final Dec-

laration of the other participants of the Conference, it gave assurances that it would refrain from using force or threat of force to overthrow them. In its assistance to Free Viet-Nam, the United States has observed the spirit and the letter of the armistice terms.

The help given has been entirely of a peaceful and humanitarian nature. Our major work has been in relation to the movement of hundreds of thousands of refugees from the north to the south. Our Navy, together with the French, has transported to Free Viet-Nam those people who chose to leave the Communist-ridden north. In Saigon, port of entry in the south, our Foreign Operations Administration and various American private agencies have helped with the tremendous project of providing shelter, food, and medical care for the masses of refugees.

Our Government has made available to the Diem Government about \$45 million to enable it to carry out the vast resettlement program and provide the refugees the means to tide them over the first months. We are helping the new Government with health, sanitation, and education projects too. Within the limits set by the Geneva Accords, we have been helping the greatly reduced Vietnamese armed forces with a training program.

Communist propaganda has tried to paint our help to the newly independent Government below the 17th parallel as an attempt to substitute American for French colonialism. Since it is standard operating procedure for communism to accuse others of what it is really doing itself, it is not too surprising to hear from refugees and other well-informed sources that Communist violations of the Geneva Accords are numerous and habitual. While accusing the United States of seeking to disrupt the Geneva agreements, Ho violates the agreements by doubling his armed forces, importing armaments and equipment from Communist China, indulging in reprisals against wartime partisans of the French Union, failing to release all prisoners of war, and conducting covert aggression in Free Viet-Nam and adjoining states by means of clandestine agents.

Agreements between Communist China and the Viet Minh for extensive reconstruction and new construction of a strategic nature in northern Viet-Nam at Communist China's expense were announced on December 24, 1954. Railway connections and new highways linking international communism's great Asiatic supply base with its



War-weary refugees from Communist-held North Viet-Nam line up for medical treatment aboard a U. S. Navy ship which brought them to Saigon. The United States allotted \$10 million to the Government of South Viet-Nam to aid in this mammoth resettlement.

forward supply depot suggest further Communist encroachment in Southeast Asia.

The Viet-Nam Embassy in Washington has reported that, in less than 5 months, the Viet Minh has equipped four to six new infantry divisions, indicating that it has been importing arms from the Soviet bloc through Communist China, in violation of the Accords.

The fact that more than half a million people have chosen to leave their native villages and the land that may have been in their families for hundreds of years rather than live any longer under the Viet Minh regime is comment enough on the character of the rule.

For all these reasons, the United States is giving its full support to the Government of Free Viet-Nam, to strengthen it and add to its prestige. And it is working with patience and determination to bring about closer relations between and among the countries of the Southeast Asian Peninsula. It is striving to unite the assorted countries of the Southeast Asian area in the interests of their own security and in the interests of our own. The United States is doing all these things because "Peace is the goal and security is the means" and because "a platform of strength is the only way to achieve a working peace."

**Department of State Publication 5841
Far Eastern Series 65**

Released June 1955

U. S. GOVERNMENT PRINTING OFFICE : 1955 O - 341210

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. - Price 15 cents